

Research Article

Influence of Service Quality on Performance of Hotel Industry in Busia Town, Kenya

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Abstract

Over the last decade, strategy as practice has generated a substantial knowledge about different aspects, forms and implications of strategizing activities and practices. This study focused mainly on this components and their influence on the performance of hotels. The objective of this study was to establish the influence of service quality on performance of the hotels in Busia Town, Kenya. The study has adopted a correlation research design which sought to determine to what extent or degree the two or more variables are related. The target population consisted of 105 respondents from the 35 food service units. Saturated technique was employed for the study. The study used questionnaire and interview schedules as tools for collecting data. The researcher carried out a pilot study to test the reliability of the data collecting instruments. Validity was achieved through expert judgment by correlating the concepts set out to measure. Reliability by test- re-test technique was done to get the correlation coefficient. The data collected was analyzed by use of descriptive and inferential statistics. The results showed that there is correlation between service quality and performance at $r=0.716$. Inferential statistics was used to draw conclusions, discussion and recommendations. The study is useful to hotel industry to enhance its performance by suggestions, influence hotel management practices and decisions to improve on productivity, customer satisfaction, Image and sustainability. Karl Pearson's coefficient showed that strategy options factors if well utilized will bring improvement on performance of the hotel industry.

Keywords: Service quality; Hotel; Performance; Reliability; Busia County.

Introduction

According to [1] a hotel is an establishment that provides lodging paid in a short time. Heywood further indicates that the provision of basic accommodation, in times past, consisting only of a room with a modern facilities which include bathrooms, and air conditioner or climate control. He further notes that there are other additional features found in hotel rooms including telephone, alarm, fire extinguisher, clocks, a safe, reading tables, libraries, snack foods, drinks, facilities for making tea or coffee, a fridge, iron box and blow dryer. Larger hotels may provide additional guest facilities such as swimming pool, fitness centre, business centre, childcare, conference facilities and social function services [2]. Hotel industry plays a key role in the development of nation's economy. According to [3], the tourist, trade, restaurants and hotels sub sectors has

contributed to Gross domestic product (GDP) from 1980-1989.

In [4] observed that tourism in Kenya was instituted during colonial period as leisure oriented activity for which only Europeans were equipped culturally, economically and socially to take part in and around which they reserved for themselves the right to undertake entrepreneurial activity, also other clientele included settler holiday makers. Kenya hotels and restaurants Regulations Act [5] established standards upon which classification of hotels into five classes was adapted denoted by stars with 'five' being the highest and 'one' the lowest. The classification of hotels is carried out in the manner prescribed by the hotels and Restaurants Authority Published in the legal notice [6] of the hotels and restaurants Act. Other than the establishment of the Kenya Hotels and Restaurants Regulations Act, consequently;

service levels tend to be relatively poor in international terms. The nature of hotels employment with working odd hours, working in shifts and social stigma of working in the hotels curtailed many females in joining the industry [7]. Hotel jobs favored male employees than their female counterparts in this sector of the economy.

In [8], it says that the feature characteristic of work in hotels and catering include long antisocial hours, low pay, instability and low status, making it unattractive as a career choice and as a result the sector continues to suffer from high staff turnover and difficulties in recruiting suitable staff. The hotel industry has been identified as one of the most important sectors that have a positive correlation to tourism industry and therefore no county or region can expect to attract tourists unless it has hotels. These general pressures which have been brought about by globalization and internationalization coupled with strong ratings and membership to international hotel associations, have also challenged hotels to improve on their performance [9]. In [10], it states that the tourism sector has been facing numerous challenges which have posed a threat to their existence. This includes competition, socio-cultural changes, technological changes and economic challenges. Hospitality and retail sectors in Busia County are attracting new investors looking for cash in opportunities by devolution and vibrant cross-border trade. Busia has had a number of hotels and conference facilities doubled in the past year due to a soaring demand for these facilities. However, the industry has had many problems including lack of accommodation, changing market environment, increasing competition, rising crimes and insecurity, deteriorating infrastructure in terms of roads and water supply and uncontrolled development.

Research methodology

The study adopted a correlational survey design. A correlational survey design seeks to determine to what degree or extent to which two or more variables are related. Correlation measures the extent to which variables are related after one confirmation that there's indeed a relationship, positive and also negative correlation between the two variables, [11] Correlation survey was intended to produce quantitative information about aspects of

price, place and service that were of interest to strategy implementers/ Policy makers and the parameters of the hotel industry in Busia town. Correlation looks for variables that seem to interact with each other, if you see one changing, you have an idea of how the other will change. The study targeted the 35 hotels within Busia Town, Kenya offering hospitality. Every unit has employed managers and there are other employees too. The study therefore targeted the 40 managers and 65 other employees. The target population for the study was 105. The sample consisted of 105 hotel workers. The study employed saturated sampling technique to select the sample for the study because it involved the whole population which is small.

According to [12], a sample size of 10% of the sample is considered adequate for descriptive study. Interview schedules and Questionnaires were used as the main tools for collecting data. Interview schedules were administered to the hotel managers who were requested to fill in the gaps while the questionnaires were given to the food and rooms unit managers for answering. These two tools supplemented each other to provide a deeper and wider exploration of the study. The researcher carried out a pilot study to test on the reliability of research instruments. Pilot study is conducted in order to evaluate feasibility, time, cost, adverse events and affect size in attempt to predict an appropriate sample size and improve upon the study design prior to performance of a full scale. It is the pre-testing or trying out of a particular research instrument [13].

The pilot study was done by selecting 2 hotels based in Kakamega town. Validity was achieved through expert judgment of the tools from the supervisors and senior members of the department. Validity was measured by calculating the extent to which content in instruments correlate with concepts it had set out to measure. The closer to one content validity test, the more valid the instrument is. This was done to all questions and then an average was obtained. For the instrument to be accepted as valid, an average index of 0.70 or above was obtained [14]. Reliability is the proportion of variance attributable to the true measurement of a variable and estimates the consistency of such a measurement over time [15]. It is a measure of the degree to which a research instrument would yield the same results after repeated trials. Test-

retest technique was used in assessing reliability in this study by administering the same questionnaires twice to the same respondents. After some time, the same questionnaires were administered to the same industry workers. The correlation coefficient obtained will indicate the level of reliability. According to [3], a Pearson's product moment correlation coefficient of 0.7

and above will be considered high enough to judge the instruments as reliable.

Results and discussions

Data collected on the hotel industry was analyzed and the descriptive statistics shown on the table 1.

Table 1. Descriptive statistics of quality of service on performance

Statement	SA	A	D	SD
The hotel service is prompt	42(73.68%)	3(5.26%)	3(5.26%)	5(8.77%)
The staff are willing to help the guests	22(38.60%)	27(47.37%)	2(3.51%)	2(3.51%)
information is accessible and accurate	16(28.07%)	36(63.16%)	0(0.00%)	2(3.51%)
The hotel is clean and has tidy rooms	11(19.30%)	37(64.91%)	2(3.51%)	3(5.26%)
The staff understand specific needs of the guests	46(80.70%)	5(8.77%)	3(5.26%)	2(3.51%)

Five point key response scale: 1. Strongly Agree (SA); 2. Agree (D); 3. Not Certain (NC); 4. Disagree (D); 5. Strongly Disagree (SD). **Source:** Research Data, 2017.

The results in the above table 1 show that 42(73.68%) strongly agree that the service is prompt, 3(5.26%) agree to that, 3(5.26%) are not certain if the hotel service is prompt and 9(15.7%) disagree to that fact that the service is prompt. On whether the staff are help guests 22(38.60%) strongly agree that the staff are willing, 27(17.37%) agree while 2(3.51%) are not certain while 6(10.53%) are not in agreement if staff are willing to help their guests. Making information accessible and accurate, 16(28.07%) strongly agree to that, 36(63.16%) agree while 5(8.77%) are not in agreement that guests are helped to access accurate information. On whether the hotel is clean and has tidy rooms, 48(84.21%) agree that the hotel has clean and tidy rooms 2(3.51%) are not certain while 7(12.28%) disagree that hotels are clean and tidy. 46(80.70%) strongly agree that the staff understand the specific needs of their guest, 5(8.77%) agree, 3(5.26%) are not certain on guests needs while 3(5.26%) disagree that the staff understand specific needs of their guests at the hotel. From findings, it's certain that the hotel service is good. Several managers agreed that there was a very high competition but they tried hard to provide high quality service to beat this. Authors of [8] viewed service quality as a major driver of marketing and financial performance. This provides the impetus and

justification of current investment in quality improvement initiatives [4].

It is reiterated in [9] that managing a service quality requires a better understanding of how service quality works and capitalizing on fundamental underlying trends that creates new areas of emphasis. In [1], it is emphasized importance of managing customer requirement by hotel industry to as a customer retention strategy. The performance of hotel industry was also considered in general as seen in table 2.

The results in the above table 2 show that 40(70.18%) strongly agree that the price of the hotel improves the performance of the hotel, 5(8.77%) agree, 4(7.02%) are not certain, 4(7.02%) disagree and 4(7.02%) strongly disagree to that effect. 25(43.86%) strongly agree that the place where the hotel is makes it to move more customers and improves the performance of the hotel, 24(42.11%) agree to that, 3(5.26%) are not certain while 5(8.77%) disagree to that. On whether the hotel offers the best and quality services and this improves the performance of the hotel, 10(17.54%) strongly agree, 38(66.67%) agree, 2(3.51%) are indifferent while 7(12.28%) disagree that the service quality improves performance. Based on the tested indicators, it was interpreted that overall organization performance of hotels in Busia town is good based on the pricing of service, placement of the hotels and service

quality. In [14], it is noted that it's the criterion of the organizational successful fulfillment of their purposes through core strategies. He further

defined organizational effectiveness as the efficiency with which organizations are able to meet their objectives.

Table 2. Descriptive statistics on performance of hotel industry

Statement	SA	A	NC	D	SD
The price of the hotels improves the performance of the hotel	40(70.18%)	5(8.77%)	4(7.02%)	4(7.02%)	4(7.02%)
The place where the hotel is makes it to have more customers and improves the performance of the hotel	25(43.86%)	24(42.11%)	3(5.26%)	3(5.26%)	2(3.51%)
The hotel offers the best and quality services and this improves the performance of the hotel	10(17.54%)	38(66.67%)	2(3.51%)	4(7.02%)	3(5.26%)

Five point key response scale: 1. Strongly Agree (SA); 2. Agree (D); 3. Not Certain (NC); 4. Disagree (D); 5. Strongly Disagree (SD). **Source:** Research Data, 2017.

Hotels in Busia in terms of place makes it move more customers and improves on performance as 2/3 affirmed by [5] that location identified the strongest determinant of hotel performance. Quality in any organization matters a lot and mainly in hotel industry. The tested findings here show that hotels offer the best of quality services and this improves performance

of the hotels. Quality here, according to [10] is the degree to which a customer perceived expectations are met based on subject judgment of the service transaction. In this section, correlation analysis results are presented. This is tabulated as per the Pearson's correlation coefficients obtained. The correlational analysis gave the results as given in table 3.

Table 3. Correlation between Strategy options and performance of hotel industry

Correlations		Service quality	Performance
Service quality	Pearson Correlation	1	0.716**
	Sig. (2-tailed)		0.001
	N	57	100
Performance	Pearson Correlation	0.716**	1
	Sig. (2-tailed)	0.001	
	N	57	57

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Research Data (2017).

Table 3 shows clearly, that there is strong positive relationship between service quality and performance of hotels. This implies that performance of hotels is dependent on service quality hence the study deduces that service quality should be improved for better hotel performance [16,17].

Conclusions

The study found that there was a very strong relationship between the service quality and performance of hotels. It is therefore of paramount importance that the hotel industry invest in service quality for recognizable achievements if it wants to perform. They have

to understand how service quality works and capitalize on fundamental underlying trends that create a new area of emphasis. Customer expectation is met based on the subject judgment of the service transaction. It is important to manage customer requirements knowledge by collecting their feelings, working on them in order to retain them.

Conflict of interest

Authors declare there are no conflicts of interest.

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